Axie Infinity: Here's Something You Need to Know

Original:
https://www.btcc.com/en-US/academy/crypto-basics/axie-infinity-heres-something-you-need-to-know

Want to dive into your first play-to-earn game? Axie Infinity might be a good place to start.

If you ask the average gamer what they look for when finding new games to play, excitement, intensity and graphics are usually the most important factors.

Now that there is the possibility of earning cryptocurrency and non-fungible tokens (NFTs) while playing games, there are even more factors to look at. In particular, there is a growing demand for games that can synergize conventional gameplay with an innovative and player-focused economy.

Not many games embody this emerging trope better than Axie Infinity, the Ethereum-based game that brings the popular elements of Pokemon to the blockchain space. The platform quickly rose to prominence in 2021 and, for a while, stood as the gold standard for blockchain-based games.

And although it's hit some rough patches in 2022 (to say the least), the fact remains that Axie Infinity still stands as one of the most successful crypto game titles in the industry's short history.

What's more, there's even a new free-to-play edition, Axie Infinity: Origin, that's just been released.
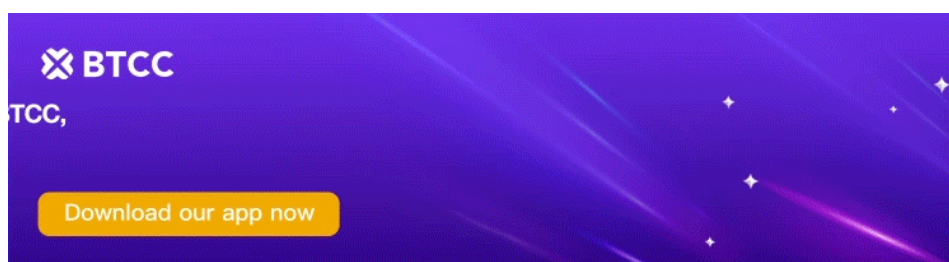
A Brief Glance at Axie Infinity

Axie Infinity is an online game developed and owned by Sky Mavis, a blockchain development company specializing in creating games with player-owned economies.

The game features many of the card-based components we have come to love in Pokemon, with the key difference being that it integrates the concept of NFTs such that players have complete ownership over and can monetize their in-game assets.

Prior to the launch of the free-to-play version, players were required to purchase three Axies to begin the game from the in-house marketplace. This is where existing players could sell their leveled-up Axies to others and try and make a profit. One Axie – a triple mystic-trait Axie called "Angel" – sold for 300 ETH in late 2020. At today's prices that equates to more than $930,000.

Axies are NFT-based monsters with unique traits and fighting capabilities. Players must choose their starter Axies carefully if they're to stand the best chance of beating others.

Players pit their monsters against each other for the chance of winning coins that can be exchanged for other cryptocurrencies and, ultimately, fiat currencies.

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How Axie Infinity works

As mentioned earlier, Axie Infinity's whole gameplay revolves around the strategic use of Axies' fighting traits to outduel opponents and, in the process, earn rewards.

You can either play against other players or face off against non-player combatants, called Chimeras. In both cases, you need to acquire three Axies with which you can initiate various strategies all in the hopes of coming out on top. Depending on the type of Axies in your possession, you can execute a series of attack and defense moves.

If you are wondering how battling capabilities are distributed or allocated to Axies, here is a breakdown below:

- **Axie stats**: Axies come with four different stats, namely Health, Morale, Skill and Speed. These stats determine the battle mechanics of Axies as they indicate the degree of damage each Axie can dish out and receive and who gets to make the first move.
- **Axie classes**: Another thing that you ought to have at the back of your mind is that Axies come in nine classes (six are normal and the remaining three are secret classes). The normal classes include Beast, Aquatic, Bird, Bug, Plant and Reptile. The secret classes are Mech, Dawn and Dusk. Certain classes have an edge over others. For instance, Aquatic has more advantages over Beast, Mech and Bug Axies. In contrast, they are weak against Dusk, Plant and Reptile Axies.
- **Axie body parts**: Each Axie has six body parts, including ears, horns, eyes, mouth, back and tail. All, except the ears and eyes, have special battling abilities associated with them.
- **Smooth Love Potion**: Whenever you win a battle, you will receive rewards denominated in Smooth Love Potion (SLP), an Ethereum-based token native to the Axie Infinity ecosystem. These SLP tokens can then be used to breed new Axies.
- **Axie breeding**: You can breed Axies a total of seven times. The first breeding cycle requires the least amount of SLP to initiate, however it increases with each breeding cycle.
- **Axie genes**: When breeding Axies, note that each body part of the parent Axies has dominant, recessive and minor recessive genes that might be passed onto the offspring.

Now that you have a basic understanding of Axies and their traits, it is worth mentioning that there are other tokenized items in the Axie Infinity universe, called Lunacia.

In addition to owning Axies, users can also own plots of land. The exciting bit about this part of the game is that owners can customize and monetize their parcels of land. In essence, you can build things, such as shops, on your land in Axie Infinity and generate passive income from them.

In total, there are 90,601 plots of land in Lunacia. There are also four levels of rarity attached to each plot of land – common, rare, epic and mystic – as well as five types of land that can be owned by players; savanna, forest, arctic, mystic and genesis.

Notably, the creator of Axie Infinity, Sky Mavis, has built and integrated a high-speed sidechain that allows players to avoid the cost and time ineffectiveness of the Ethereum blockchain. With this, Axie Infinity can process transactions executed on its platform almost instantly.

A Brief Glance at AXS

Axie Infinity is a platform working towards enabling a fully decentralized gaming ecosystem. The goal is to completely hand over the management and governance of Axie Infinity to the players.

To this end, the platform launched a governance [ERC-20](#) token called Axie Infinity Shards (AXS). Among other things, the holders of AXS tokens are elevated to the position of decision-makers and are allowed to vote on operational changes and future developments.

However, this is a work in progress. For now, Sky Mavis still has control over sensitive processes and systems. That said, AXS can also be staked to earn rewards.

Ronin attack and SLP price crash

The lucrative nature of Axie Infinity, especially the income earned from the emission of SLP, has helped propel the popularity of the game, with the Philippines accounting for a significant percentage of its user base.

Interestingly, those living in developing countries saw an opportunity to earn an income much higher than their national minimum wage by playing Axie Infinity, with some going as far as to make it a full-time job.

But it has not always been smooth sailing for Axie Infinity. Skeptics have raised questions surrounding the sustainability of its economy and its reliance on an inflation-prone system. The original reward system and the fact that new users had to shell out cash to start playing the game meant that there was an unending inflow of SLPs and Axies.

Initially, all you need to do to earn SLPs is complete daily quests or battle in the single-player or the Arena mode, or PVP. Since this system guaranteed an influx of SLP, it was no surprise that the value of the token took a hit, which in turn had devastating effects on the value of players' earnings.

This prompted those at Sky Mavis to restrict the SLP reward system to the PVP game mode. In essence, SLP will only be distributed to players who win matchups. Furthermore, the team opted to

burn the SLPs used to breed new Axies, thereby shrinking the supply of the ERC20-based token further.

And just as Axie Infinity was looking to turn the corner, it suffered arguably the largest crypto exploit ever. Axie Infinity relied on a sidechain, called the Ronin network, for its transactions and this system had loopholes that hackers eventually took advantage of.

For one, Ronin required the inputs of nine validators with a minimum of five validators to process transactions. This is unlike what exists in the Ethereum ecosystem, where thousands of validators are constantly engaged to keep the system resistant against attacks.

"The attacker used hacked private keys in order to forge fake withdrawals," the Ronin Network team announced in their official report published on March 29 – a week after the attack took place. This enabled the hacker to gain control over five validator nodes and via two separate withdrawals steal 173,600 ether and over 25.5 million USDC tokens worth more than $625 million in total at the time.

Following this attack, Sky Mavis has vowed to refund affected users. The company has also increased the number of validators on the Ronin Network so that 10 out of 11 nodes are required to sign off on transactions and discussed introducing a circuit breaker system to prevent this type of attack on the network going forward.

The Launch of Axies Infinity – Origin

One of the many updates and developments that Sky Mavis has implemented in 2022 is the launch of Axie Infinity: Origin.

Unlike the classic Axie Infinity game, this version does not require the user to purchase an Axie in order to play. With this, you can start exploring the Axie Infinity universe without having to pay a dime or connect to a Ronin wallet. The team believes that this will open up the game to more gamers and eventually encourage them to try the "play to earn" version even further.